

Message Text

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P R 260955 Z JUN 73

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC PRIORITY 3726

INFO AMEMBASSY BANGKOK

AMEMBASSY BUDAPEST

AMEMBASSY CANBERRA

AMEMBASSY JAKARTA

AMEMBASSY LONDON

AMEMBASSY MANILA

AMEMBASSY MOSCOW

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY PHNOM PENH

AMEMBASSY SEOUL

AMEMBASSY TOKYO

USIA WASHDC

AMEMBASSY VIENTIANE

AMEMBASSY WARSAW

AMEMBASSY WELLINGTON

USDEL JEC PARIS

CIA

DIA

JCS

JUSMAAG

WHITE HOUSE

USAJFKCMA

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL NHA TRANG

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C O N F I D E N T I A L SECTION 1 OF 3 SAIGON 11466 /1

E. O. 11652: GDS

TAGS: PINT PFOR ECON VS

SUBJECT: EMBASSY SAIGON' S MISSION WEEKLY JUNE 20-26,1973

BANGKOK ALSO PASS OSA; DEPT ALSO FOR AID/ W; CINCPAC FOR POLAD;
DOD FOR USAJFKCMA ATTN: ATCS- WL- DSA

THE WEEK IN BRIEF

- FIGHTING DROPS CONSIDERABLY, BUT WIDESPREAD SCEPTICISM ABOUT
PROSPECTS FOR PEACE CONTINUES

- NO NOTABLE PROGRESS IN TPJMC, ICCS; TPJMT LIAISON FLIGHT TO
HANOI AGAIN CANCELLED

- MUTED REACTION TO FOUR SENATE ELECTION SLATES

- CAUTIOUSLY OPTIMISTIC NOTE IN SAIGON PRESS ON NEGOTIATIONS

- RVN/ PRG BILATERALS TO RESUME JUNE 28; PROSPECTS FOR PROGRESS
UNCERTAIN

- GVN FEUDS WITH JAPANESE DAILY ASAHI SHINBUN OVER POLITICAL
PRISONER ISSUE

- HANOI PROPAGANDA DWELLS ON DOMESTIC PROBLEMS, BUT REPORTS
MORE FULLY ON BREZHNEZ VISIT

- FRENCH AMBASSADOR CHAYET PRESENTS CREDENTIALS TO DRV

- PRICES UP BUT BLACK MARKET DOLLAR RATE HOLDS STEADY

- SHRIMP AND LUMBER EXPORT INDUSTRIES HAVE PROBLEMS
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I. INTERNAL

A. CEASEFIRE

1. THE LEVEL OF VIOLENCE DROPPED SUBSTANTIALLY DURING THE WEEK,
WITH THE EXCEPTION OF KONTUM PROVINCE IN MR-2 WHERE A DETERMINED
RVNAF DRIVE TO RECOVER RECENTLY LOST TERRITORY CONTINUES: AND
IN DINH TUONG AND CHUONG THIEN PROVINCES IN THE DELTA, WHERE THE
CONCENTRATION OF ARMED FORCES MAKES HOSTILE CONTACT NEARLY
INEVITABLE. MILITARY ACTIVITY CONTINUED TO BE VIRTUALLY NON-
EXISTENT NORTH OF THE HAI VAN PASS IN MR-1, AND SLACKENED
CONSIDERABLY TO THE SOUTH. WITH THE EXCEPTION OF KONTUM, MR-2
WAS RELATIVELY QUIET, AS WERE MR-3 AND THE DELTA EXCEPT FOR

CHUONG THIEN AND DINH TUONG. TERRORIST ACTS, AND MINE AND BOOBY-TRAP INCIDENTS CONTINUE THROUGHOUT THE COUNTRY.

2. MOST SOUTH VIETNAMESE OF VARYING POLITICAL PERSUASIONS REMAIN SCEPTICAL THAT THE JOINT COMMUNIQUE WILL BRING TRUE PEACE. HOWEVER, THIS WEEK A NOTE OF CAUTIOUS OPTIMISM HAS APPEARED IN THE PRESS, ESPECIALLY IN CONNECTION WITH THE JUNE 23 RETURN TO PARIS OF DEPUTY PRIME MINISTER NGUYEN LUU VIEN, THE CHIEF RVN DELEGATE TO THE RVN/ PRG BILATERAL NEGOTIATIONS AT LA CELLE- ST CLOUD. (SEE PART II BELOW) THE BILATERALS ARE DUE TO BEGIN AGAIN IN PARIS JUNE 28 (SEE PART II. A. BELOW.

3. DURING THE WEEK THE TWO- PARTY JOINT MILITARY COMMISSION (TPJMC) AGREED TO SOME MINOR ORGANIZATIONAL CHANGES. HOWEVER, ON THE BASIC SUBSTANTIVE ISSUES THE TWO PARTIES CONTINUE TO ADVANCE IRRECONCILABLE POSITIONS; THESE INCLUDE THE IMPORTANT ISSUES OF CONTACT BETWEEN OPPOSING TROOPS COMMANDERS AND TPJMC DEPLOYMENT.

4. THE IMPASSE ON THE INTERNATIONAL COMMISSION FOR CONTROL AND SUPERVISION HAS NOW GONE UNRESOLVED FOR ONE MONTH. THE DEADLOCK CENTERS ON WHETHER UNANIMITY IS REQUIRED FOR ICCS INVESTIGATIONS. AGREEMENT WAS REACHED THIS WEEK WITHIN THE ICCS COVERING MODALITIES OF ICCS HELICOPTER FLIGHTS INTO AN LOC AND A ROUTINE RESUPPLY MISSION WAS ACCOMPLISHED WITHOUT INCIDENT JUNE 25. HUNGDEL CHIEF AMBASSADOR ESTERGALYOS IS EXPECTED BACK IN SAIGON JUNE 26 AFTER TWO WEEKS CONSULTATION IN BUDAPEST; AND INDODEL CHIEF CONFIDENTIAL

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AMB DHARSONO, WHO DEPARTED FOR JAKARTA JUNE 21, IS ALSO EXPECTED BACK JUNE 26.

5. THE SCHEDULED WEEKLY FOUR- PARTY JOINT MILITARY TEAM (FPJMT) LIAISON FLIGHT TO HANOI WAS CANCELLED JUNE 22 WHEN THE DRV TEAM CHIEF REFUSED TO SIGN ROUTINE STATEMENT ASSURING THAT NO DANGEROUS ITEMS WERE BEING TRANSPORTED IN DRV LUGGAGE. THE DRV HAD PREVIOUSLY AGREED TO THIS PROCEDURE AFTER THE INCIDENT IN WHICH A PYROTECHNIC DEVICE BEING CARRIED IN DRV LUGGAGE ON A JUNE 8 FLIGHT FROM HANOI TO SAIGON IGNITED. THERE IS NO EXPLANATION WHY THE DRV REFUSED TO SIGN THE STATEMENT, BUT COMMUNIST PROPAGANDA HAS SINCE SOUGHT TO BLAME THE US FOR THE ALLEGED " UNILATERAL" CANCELLATION OF THE LIAISON FLIGHT.

B. MUTED REACTION IN SAIGON TO UPPER HOUSE ELECTION SLATES

1. POLITICAL CIRCLES IN SAIGON HAVE REACTED WITH LITTLE EMOTION TO THE ANNOUNCEMENT OF THE FOUR SLATES WHICH WILL CONTEST THE AUGUST 26 SENATE ELECTIONS. THE TWO WINNING SLATES WILL FILL 31 VACANT SENATE SEATS. TWO OF THESE SLATES WHICH ENJOY GVN SUPPORT APPEAR TO BE OBVIOUS WINNERS. INDEPENDENT AND OPPOSITION POLITICIANS GENERALLY EXPRESS THE VIEW THAT THE SENATE CONTEST (I. E., TWO OBVIOUS WINNERS AND TWO WEAK SLATES) IS ABOUT WHAT THEY EXPECTED.

FOR A VARIETY OF REASONS REFLECTING THEIR OWN WEAKNESS AND THEIR
DISILLUSIONMENT AT CURRENT POLITICAL TRENDS, PLUS A FEELING IN
SOME CIRCLES THAT NEGOTIATIONS MAY LEAD TO A REVISION OF SVN'S
CONSTITUTIONAL STRUCTURE WHICH WOULD REDUCE THE SIGNIFICANCE OF THE
SENATE IF NOT ELIMINATE IT, THEY HAVE OPTED OUT OF THE CONTEST,
LEAVING THE FIELD TO THE GVN.

2. PRO- ADMINISTRATION POLITICIANS ACKNOWLEDGE THAT THE COMPETITION
WILL BE SLIGHT , BUT THEY DEFEND THE ELECTION AS PROVIDING THE
VOTERS A VALID CHOICE. THE PUBLIC SEEMS BASICALLY INDIFFERENT,
BUT SOME POLITICALLY AWARE INDIVIDUALS, IN A MOOD OF MORE RESIGNATION
THAN ANGER, MOCK THE ELECTION AS A NON- CONTEST.

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INFO AMEMBASSY BANGKOK

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AMEMBASSY MOSCOW

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AMEMBASSY PHNOM PENH

AMEMBASSY SEOUL

AMEMBASSY TOKYO

USIA WASHDC

AMEMBASSY VIENTIANE

AMEMBASSY WARSAW

AMEMBASSY WELLINGTON

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DIA

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JUSMAAG

WHITE HOUSE

USAJFKCMA

AMCONSUL BIEN HOA

AMCONSUL CAN THO
AMCONSUL DANANG
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C O N F I D E N T I A L SECTION 2 OF 3 SAIGON 11466

C. SAIGON MEDIA REVIEW

1. BEGINNING WITH THEIR JUNE 21 EDITIONS, THE SAIGON NEWS-PAPERS HAVE ADOPTED A MORE OPTIMISTIC TONE ON CEASEFIRE- RELATED ISSUES THAN AT ANY TIME SINCE CEASEFIRE II WENT INTO EFFECT. BOTH NEWS ARTICLES AND EDITORIALS REFLECT THIS TREND. ALTHOUGH THERE ARE EXCEPTIONS, NOTABLY THE INFLUENTIAL CHINH LUAN WHICH HAS EXPRESSED SOME RESERVE ABOUT CEASEFIRE DEVELOPMENTS, THE WIDE-SPREAD NOTE OF CONCERN ABOUT " AREAS OF CONTROL" THAT IMMEDIATELY FOLLOWED THE ANNOUNCEMENT OF THE JUNE 13 COMMUNIQUE HAS GIVEN WAY TO A GENERALLY MORE HOPEFUL VIEW AFFIRMING THAT PEACE MAY SOON COME. A MAJOR ELEMENT IN THIS MOOD IS THE DECLINE NOTICED IN THE LEVEL OF HOSTILITIES IN MOST REGIONS (KONTUM AND CHUONG THIEN PROVINCES BEING EXCEPTIONS). THE NIXON- BREZHNEV SUMMIT AND THE RECENT PRESENCE IN SAIGON OF DEPUTY PRIME MINISTER NGUYEN LUU VIEN, HEAD OF THE GVN DELEGATION IN PARIS, HAVE ALSO FUELED THE TREND. THERE IS CONSIDERABLE SPECULATION THAT VIEN HAS RETURNED TO PARIS WITH A NEW NEGOTIATING INITIATIVE FOR THE JUNE 28 RESUMPTION OF TALKS.

2. SAIGON RADIO AND TELEVISION COVERAGE ALSO REFLECTS THIS MOOD, BUT CONTINUED EMPHASIS ON COMMUNIST CEASEFIRE VIOLATIONS AND THE USUAL ANTI- COMMUNIST SLOGANEERING DILUTE THE TREND CONSIDERABLY.

PART II. EXTERNAL

A. GVN/ PRG BILATERALS

THE GVN/ BILATERAL CONSULTATIONS CALLED FOR BY THE JANUARY 27 PARIS AGREEMENT WILL RESUME JUNE 28 WITH THE 14 TH PLENARY MEETING (THE 13 TH WAS HELD ON MAY 30) AFTER A MONTH' S HIATUS MUTUALLY AGREED UPON AT TIME OF THE KISSINGER/ LE DUC THO MEETINGS IN PARIS. THE
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GVN CHIEF DELEGATE, DEPUTY PRIME MINISTER NGUYEN LUU VIEN, RETURNED TO PARIS JUNE 23 FROM A WEEK'S CONSULTATION IN SAIGON. PRESS SPECULATION THAT VIEN HAS BROUGHT CHANGED INSTRUCTIONS WITH HIM HAS NOT BEEN CONFIRMED BY ANY GVN OFFICIALS AND THERE ARE INDICATIONS THAT CONSULTATIONS WILL PROCEED WITH NO RESULTS MUCH AS BEFORE (FVS 32,646). DURING A JUNE 14 PRESS CONFERENCE ABOUT THE JUNE 13 PARIS COMMUNIQUE, FOREIGN MINISTER LAM TOLD THE PRESS THAT THE GVN NO LONGER INSISTED ON WITHDRAWAL OF NORTH VIETNAMESE FORCES (NVA) PRIOR TO GENERAL ELECTIONS. WHILE THIS APPEARED TO BE A CHANGE IN THE GVN POSITION LAM HAS SINCE STATED THAT THE GVN'S APRIL 25 PROPOSAL, WHICH CALLS FOR DEPARTURE OF THE NVA BEFORE ELECTIONS, STILL HOLDS. NEXT FEW MEETINGS MAY SHED SOME LIGHT ON WHETHER GVN HAS IN FACT CHANGED ITS POSITION ON THIS SUBJECT.

B. GVN - ASAHI SHIMBUN FEUD

GVN PRESS SPOKESMAN BUI BAO TRUC HAS BEEN CONDUCTING A PUBLIC FEUD WITH JAPANESE DAILY ASAHI SHIMBUN OVER STORY BY LATTER'S SAIGON BUREAU THAT GVN HOLDS 300,000 POLITICAL PRISONERS. ACCORDING TO TRUC, QUOTED IN OFFICIAL VIETNAM PRESS, ASAHI SHIMBUN LATER CORRECTED ITSELF TO SAY FIGURE SHOULD HAVE BEEN "100,000 TO 200,000", BUT TRUC HAS INSISTED ON FURTHER FORMAL CLARIFICATION AND APOLOGY AND THREATENED TO CLOSE PAPER'S SAIGON BUREAU IF THESE ARE NOT FORTHCOMING.

COMMENT: WE BELIEVE GVN HOLDS TOTAL OF NO MORE THAN 35,000 CIVILIAN PRISONERS OF ALL DESCRIPTION.)

C. HANOI CONTINUES COVERAGE OF AMERICAN DOMESTIC SCENE

HANOI MEDIA HAVE GIVEN HEAVY COVERAGE TO THE WATERGATE AFFAIR, REPORTING EVEN THE MOST MINUTE DETAILS OF TESTIMONY BEFORE THE ERVIN COMMITTEE. ON JUNE 22 THE PARTY NEWSPAPER, NHAN DAN, CARRIED THE CAMPAIGN ONE STEP FARTHER WHEN IT " EXPOSED THE ALLEGED DISCONTENT BETWEEN FORMER SECRETARY CONNALLY AND THE PRESIDENT. READING LIKE AN EXPANDED VERSION OF NEWSWEEK MAGAZINE'S " PERISCOPE", THE NHAN DAN PIECE " REVEALS" FRICTION BETWEEN CONNALLY AND " SEVERAL KEY ASSISTANTS OF NIXON" INCLUDING MESSRS ZIEGLER AND LAIRD AND DR. KISSINGER. NHAN DAN CONCLUDES THAT CONNALLY'S PRESS CONFERENCE ON JUNE 20 BARES " THE INCREASING CONTRADICTIONS" AMONG US LEADERS AND THAT THE WATERGATE AFFAIR HAS " CREATED MORE INTERNAL CONFIDENTIAL

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DISTURBANCES" IN THE " WHITE HOUSE APPARATUS".

D. FRENCH AMBASSADOR PRESENTS CREDENTIALS

ON JUNE 20 CLAUDE CHAYET, FRENCH AMBASSADOR TO THE DRV, PRESENTED HIS CREDENTIALS TO DRV VICE PRESIDENT NGUYEN LUONG BANG. FOREIGN MINISTER NGUYEN DUY TRINH ALSO ATTENDED THE CEREMONY.

E. HANOI REPORTS NIXON- BREZHNEV ACCORDS

DEPARTING FROM ITS PRE- CEASEFIRE PRACTICE, HANOI RADIO HAS INFORMED ITS VIETNAMESE LISTENERS IN SOME DETAIL ABOUT THE CURRENT ROUND OF US- SUMMITRY. A JUNE 23 BROADCAST, CITING TASS, REPORTED THAT PRESIDENT NIXON AND GENERAL SECRETARY BREZHNEV HAD SIGNED AGREEMENTS ON THE PEACEFUL USE OF ATOMIC ENERGY AND ON PRINCIPLES FOR TALKS ON FURTHER STRATEGIC ARMS LIMITATIONS. THE BROADCAST ALSO NOTED THAT AGREEMENTS HAD BEEN SIGNED ON COOPERATION IN THE FIELDS OF AGRICULTURE, TRANSPORTATION AND OCEANOGRAPHIC STUDIES.

(COMMENT: WHILE HANOI DID REPORT LAST YEAR' S VISIT BY PRESIDENT NIXON TO THE USSR IT AVOIDED REPORTAGE ON THE SUBSTANCE OF NEGOTIATIONS CONDUCTED AT THAT TIME. NO MENTION AT ALL WAS MADE OF THE PRESIDENTIAL VISIT TO CHINA EXCEPT FOR VEILED REFERENCES IN HANOI POLEMIC TO THE US' S EFFORTS TO DIVIDE AND WEAKEN THE SOCIALIST CAMP TO WHICH, BY IMPLICATION, THE DRV' S TWO MAJOR ALLIES WERE WILLING ACCOMPLICES. IT IS, PRESUMABLY, THE END OF ACTIVE HOSTILITIES WITH THE US AND THE RELATED FACT THAT HANOI ITSELF HAS BEEN NEGOTIATING WITH THE US IN A NUMBER OF FORUMS THAT ALLOWS HANOI TO BE MORE EXPANSIVE IN ITS COVERAGE OF CONTACTS AMONG THE SUPER POWERS. END COMMENT).

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P R 260955 Z JUN 73

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C O N F I D E N T I A L SECTION 3 OF 3 SAIGON 11466/3

F. DRV PREMIER LEAVES FOR MONGOLIA, DPRK

PREMIER PHAM VAN DONG LEFT HANOI ON JUNE 22 FOR WHAT DRV MEDIA BILL " OFFICIAL, FRIENDLY" VISITS TO MONGOLIA AND NORTH KOREA. POLITIBURO MEMBER LE THANH NGHI ACCOMPANIED DONG AS DID OTHER RANKING NORTH VIETNAMESE FIGURES OFTEN ASSOCIATED WITH HANOI' S FOREIGN AID- SEEKING EFFORTS. THE DELEGATION ARRIVED IN ULAN BATOR LNATE JUNE 22 AND WAS MET BY MONGLIAN LEADERS INCLUDING MPRP FIRST SECRETARY TSEDENBAL. THE MONGOLIANS HOSTED A DINNER ALSO ON JUNE 22 BUT THERE HAVE BEEN NO FURTHER REPORTS NOTED ON THE DELEGATION' S ACTIVITIES SINCE THAT DATE.

G. LE DUC THO LEAVES MOSCOW; ARRIVES IN PEKING

DRV NEGOTIATOR LE DUC THO LEFT MOSCOW ON JUNE 23. THO' S LONGER THAN USUAL STAY IN THE USSR IS NOT EXPLAINED IN MEDIA COVERAGE OF HIS ACTIVITIES BUT IT IS POSSIBLY DUE TO DRV' S DESIRE TO BE KEPT ABREAST OF NEW DEVELOPMENTS IN US- SOVIET RELATIONS EMERGING DURING THE BREZHNEV VISIT. ON JUNE 24 NCNA REPORTED THO' S ARRIVAL IN PEKING WHERE HE CONFERRED WITH CHOU EN- LAI AND OTHER CHINESE OFFICIALS AND WITH PENN NOUTH, PREMIER OF SIHANOUK' S GOVERNMENT- IN- EXILE. THO LEFT PEKING FOR HOME THE NEXT MORNING.

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III. ECONOMIC

A. PRICES

1. THE MODERATE INCREASE IN PRICES RECORDED ON JUNE 18 WAS FOLLOWED DURING THE WEEK ENDING JUNE 25 BY A SHARP 2 PERCENT INCREASE. CONFIDENTIAL

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RISE IN THE USAID RETAIL PRICE INDEX. THIS INCREASE, THE LARGEST IN A MONTH, APPEARS TO BE THE RESULT OF A GENERAL UNEASINESS ON THE PART OF AN ILL-INFORMED PUBLIC ABOUT THE IMPOSITION OF THE NEW VALUE ADDED TAX ON JULY 1. THERE IS EVIDENCE THAT MERCHANTS ARE HOLDING GOODS OFF THE MARKET AND DEMAND IS UP IN ANTICIPATION OF EXPECTED HIGHER PRICES. AS A RESULT, PRICES NOW SHOW AN INCREASE OF 19 PERCENT SINCE THE BEGINNING OF THE YEAR AND OF 31.4 PERCENT IN THE LAST 12 MONTHS.

2. FOOD PRICES ACCOUNTED FOR MUCH OF THE INCREASE, GOING UP 2.3 PERCENT DURING THE WEEK. RICE PRICE INCREASES CONTRIBUTED HEAVILY TO THE UPWARD TREND BUT FISH AND POULTRY PRICES ALSO PLAYED A ROLE. VEGETABLE PRICES REMAINED STABLE OVERALL. FOOD PRICES HAVE RISEN 5.2 PERCENT OVER THE PAST MONTH, 18.9 PERCENT SINCE THE BEGINNING OF THE YEAR AND 31 PERCENT OVER THE PAST YEAR.

3. THE 1.3 PERCENT INCREASE IN NON-FOOD PRICES WAS CAUSED BY INCREASES IN THE PRICE FOR SOLID FUEL, TEXTILES AND SOAP, IN PART REFLECTING AN INCREASE IN PRICES OF THE IMPORTED COMPONENTS. NON-FOOD PRICES HAVE INCREASED 3.7 PERCENT DURING THE PAST MONTH, 19.2 PERCENT SINCE DECEMBER, 1972 AND 32.5 PERCENT IN THE LAST YEAR.

B. BLACK MARKET CURRENCY AND GOLD PRICES:

ALTHOUGH BLACK MARKET CURRENCY RATES EDGED UP BY ONE PIASTER DURING THE WEEK, U. S. \$100 GREEN AT THE NEW RATE OF 496 AND U. S. \$10 GREEN AT 491 ARE STILL SELLING AT A DISCOUNT. THE HK\$/VN\$ CROSS RATE ADVANCED SOMEWHAT FROM 494 TO 497. GOLD PRICES MOVED AHEAD SLIGHTLY FROM 50,200 TO 50,300 PER Tael.

C. SHRIMP AND LUMBER EXPORTS

1. TWO OF VIETNAM'S MAJOR EXPORT COMMODITIES- SHRIMP AND LUMBER- ARE EXPERIENCING SERIOUS DIFFICULTIES, POINTING UP ONCE AGAIN THE NEED FOR STRIVING FOR A DIVERSIFIED, SOLID EXPORT BASE. WITH THE JAPANESE MARKET REMAINING CLOSED TO VIETNAMESE MARINE PRODUCTS PENDING RESOLUTION OF THE PROBLEM OF POSSIBLE DIOXIN CONTAMINATION THE IMPACT OF THE EXPORT DISRUPTION ON THE VIETNAMESE ECONOMY IS MAKING ITSELF INCREASINGLY FELT. THE ADVERSE PUBLICITY CREATED BY THE DIOXIN SCARE HAS MADE IT DIFFICULT FOR VIETNAMESE EXPORTERS TO FIND ALTERNATE MARKETS FOR THE APPROXIMATELY 80 PERCENT OF EXPORTS. CONFIDENTIAL

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THEIR SHIPMENTS PREVIOUSLY DESTINED FOR JAPAN. MANY ENTERPRISES HAVE REDUCED THEIR OPERATIONS AND SOME HAVE CLOSED THEIR DOORS. IT IS TOO EARLY TO ASSESS THE IMPACT OF THE REDUCED SHRIMP SALES ON TOTAL EXPORTS, BUT IT MAY BE CONSIDERABLE.

2. IN THE AREA OF FORESTRY ACTIVITIES, THE BAN ON LOGGING WHICH WAS IMPOSED ABOUT A YEAR AGO ON THREE OF THE PRINCIPAL LUMBER PRODUCING AREAS OF MR-3 REMAINS IN EFFECT. IN ADDITION, CERTAIN PROHIBITIONS HAVE BEEN ISSUED BY BOTH CENTRAL AND LOCAL AUTHORITIES, CONCERNING LOGGING OPERATIONS IN MR-2. IT IS NOT QUITE CLEAR WHETHER THE BAN IN THIS AREA APPLIES TO TUYEN DUC AND LAM DONG WHERE MOST OF THE PINE LOGS NOW BEING EXPORTED ORIGINATE. EXPORTS OF FOREST PRODUCTS CONSISTING PREDOMINANTLY OF PINE LOGS, WITH ABOUT \$ US 5.5 MILLION FOR THE FIRST FIVE MONTHS OF 1973, ARE RUNNING WELL AHEAD OF LAST YEAR' S SHIPMENTS WHICH TOTALED LESS THAN \$ US 5.0 MILLION FOR THE ENTIRE YEAR, BUT A DISRUPTION OF LOGGING OPERATIONS WOULD SLOW DOWN SHIPMENTS OF THIS COMMODITY AS WELL, LEAVING RUBBER AS THE ONLY MAJOR FOREIGN EXCHANGE EARNER OTHER THAN SCRAP. END UNCLASSIFIED.
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